

**CAPITOLA CITY COUNCIL
REGULAR MEETING ACTION MINUTES
THURSDAY, FEBRUARY 23, 2017**

CLOSED SESSION – 6:30 PM

CALL TO ORDER

Vice Mayor Termini called the meeting to order at 6:30 p.m. with the following item to be discussed in Closed Session:

**CONFERENCE WITH REAL PROPERTY NEGOTIATOR
[Govt. Code § 54956.8]**

Property: 4400 Jade Street, APN 034-551-02, Capitola, CA
City Negotiator: Jamie Goldstein, City Manager
Negotiating Parties: Soquel Union Elementary School District
Under Negotiation: Terms of Joint Use Agreement

There was no public comment; therefore, the City Council closed the Council Chambers and held the Closed Session.

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Mayor Harlan joined the City Council in Closed Session.

Council Member Ed Bottorff: Present, Council Member Jacques Bertrand: Present, Mayor Stephanie Harlan: Present, Vice Mayor Michael Termini: Present, Council Member Kristen Petersen: Present.

City Treasurer Peter Wilk was present.

2. PRESENTATIONS

A. Introduction of New Police Officer Zackary Carrier

Police Chief Terry McManus introduced Officer Zackary Carrier.

3. REPORT ON CLOSED SESSION

City Attorney Tony Condotti reported there was no action on the item.

4. ADDITIONAL MATERIALS - None

5. ADDITIONS AND DELETIONS TO AGENDA - None

6. PUBLIC COMMENTS- None

7. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

Council Member Bottorff expressed his appreciation for the Public Works crew.

Council Member Bertrand noted that the movie *DNA Is Not Destiny* will be shown March 23 admission free at Cabrillo College as part of an early childhood program.

Council Member Termini welcomed Council Member Petersen to the Public Safety Foundation. He praised the ad hoc design and library advisory committees for their work and progress on the new library plans. He also asked to place on a future agenda a request to re-inspect the state of trestle because of concerns about its safety to run engines across it.

He advocated for an independent study and said he may ask the City to allocate money for a study. Council agreed it was a worthwhile discussion, which should include whether the Regional Transportation Commission should be involved. Staff will return with research.

Council Member Petersen echoed the thanks for Public Works, especially along the Depot Hill bluffs.

Public Works Director Steve Jesberg updated the Council on storm damage. Park Avenue has been closed for a week and the final tree came down today. The bike lane on the east is still closed. He estimates it will be quite a project to repair 50 feet of embankment impacted by fallen trees, which will require work with the railroad property. He estimated costs at \$300,000 to \$500,000. Along Soquel Creek nearly a dozen trees on the Rispin property fell into the creek and some across into neighbors' yards. They are catching debris, but cannot be accessed until flows recede. On Wharf Road a utility trench caused a small sinkhole and road closure. The upper portion of Esplanade Park remains closed due to a 35-cubic-yard chunk above park that a geologist determined is beginning to fail and recommends closure until it falls. City staff has met with the owner of the apartment building atop the bluff.

Staff today held a well-attended Depot Hill bluff meeting with residents. There has been significant bluff failure all the way to the fence with about 10 feet lost and the path closed. The City may move path away from the edge using land that the City owns as part of the former Grand Avenue. Some property owners have improvements within the area with encroachment permits requiring removal at their cost.

Several trees came down on homes and the Building Department responded.

Council Member asked if the City can join the county in FEIMA applications. Staff will research options.

Mayor Harlan attended a Soquel Creek Water District board meeting and noted neighbors are not happy with proposal for treating waste water by the district office. She and Council Member Bertrand attended the Soquel school breakfast meeting, and said district representatives reported steady enrollment. She also praised the Hill Street neighborhood meeting.

Treasurer Wilk noted that the agenda includes an addition to a contractor for the Zoning Update and suggested in the future there is a cost saving opportunity through shortened review cycles.

8. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS

- A. Historical Museum Board Appointment [240-40]
RECOMMENDED ACTION: Make appointment.

Council Member Petersen praised the selection of Georgette Neal, who has been an outstanding volunteer.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Kristen Petersen, Council Member
SECONDER:	Ed Bottorff, Council Member
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

9. CONSENT CALENDAR

MOTION:	APPROVE OR REJECT THE CONSENT AGENDA ITEMS AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Termini, Vice Mayor
SECONDER:	Ed Bottorff, Council Member
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

- A. Consider the February 9, 2017, Regular City Council Minutes
RECOMMENDED ACTION: Approve minutes.
- B. Receive Planning Commission Action Minutes for the Regular Meeting of February 2, 2017
RECOMMENDED ACTION: Receive minutes.
- C. Approval of City Check Register Reports Dated January 6, January 13, January 20 and January 27, 2017[300-10]
RECOMMENDED ACTION: Approve Check Registers.
- D. Contract Amendment for Auditing Services [310-05/500-10 A/C: Rogers, Anderson, Malody & Scott LLP]
RECOMMENDED ACTION: Authorize the City Manager to renew the agreement with Rogers, Anderson, Malody & Scott LLP to provide financial auditing services for an amount not-to-exceed \$48,000 for Fiscal Year 2016/2017 Audit.
- E. Amendment of Contract for Completion of the Zoning Code Update
RECOMMENDED ACTION: Authorize the City Manager to execute a contract amendment in the amount of \$14,700 with Ben Noble Urban and Regional Planning.
- F. Second Reading of the Monterey Bay Community Power Uncodified Ordinance [500-10 A/C: Monterey Bay Community Power]
RECOMMENDED ACTION: Approve the second reading of an ordinance authorizing the implementation of Community Choice Energy program in the City of Capitola.
- G. Reject All Bids Received for the 41st Avenue Adaptive Traffic Signal System Project [490-70]
RECOMMENDED ACTION: Reject all three bids received for the 41st Avenue Adaptive Traffic Signal System and direct the Public Works Department to work with the project engineer to modify and redesign the project to bring it in budget.

10. GENERAL GOVERNMENT / PUBLIC HEARINGS

A. Receive Art & Cultural Commission Annual Report [1010-60]

RECOMMENDED ACTION: Receive the 2016 Art and Cultural Commission Annual Report.

Assistant to the City Manager Larry Laurent and Council Member Termini, who chairs the Commission, presented the report. Highlights for 2016 include the 32nd year of Twilight Concerts, which caused no policing problems in spite of increased attendance; six Sunday Art and Music at the Beach, which are funded by sponsors and booth fees; three Movies on the Beach; Capitola en Plein Air, which raised \$3,000 for children's art split between SPECTRA and a free recreation art class; and an Opera at the Beach.

The committee also offered children's art at festivals and displays from New Brighton Middle School. Mayor Harlan offered to sponsor a reception for the students. The Village kiosk and its other sculpture continue to be well used and loved. The Commission has a retreat planned soon for new projects. The library grounds are being reviewed for public art.

ACTION:	RECEIVED REPORT
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B. Consider Letter of Support for Efforts by Central Fire and Aptos/La Selva Fire Protection Districts to Improve Efficiencies Through Cooperation

RECOMMENDED ACTION: Direct the Mayor to send the attached letter to the Central Fire Protection District and Aptos/La-Selva Fire Protection District in support of efforts to cooperate, improving service levels in Capitola.

City Manager Jamie Goldstein noted that this item came from a request by Council Member Termini. There is a long history of studies for coordination between the fire districts to increase efficiencies. Both districts have committees investigating options. Capitola's interest is to support an even higher level of service.

Brian Aluffi, Central Fire firefighter and president of Local 3605, thanked the City for support of these efforts.

TJ Welch, resident and retired firefighter, said based on consolidations in which he has taken part, he feels there is a great opportunity for improved efficiencies and would encourage full consolidation to achieve national standards.

Council Member Bertrand said he has been hearing support for these efforts since he ran two years ago.

MOTION:	APPROVE THE SUPPORT LETTERS
RESULT:	APPROVED [UNANIMOUS]
MOVER:	Michael Termini, Vice Mayor
SECONDER:	Ed Bottorff, Council Member
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

- C. Approve Letters of Support for State Transportation Measures [580-40/1170-10]
RECOMMENDED ACTION: Direct Mayor to sign letters on behalf of the City supporting measures AB1 and SB1.

City Clerk Linda Fridy noted that Council requested these letters following a presentation by the Santa Cruz Metropolitan Transit District and based on recommendations from the California League of Cities, which estimates the City could receive about \$400,000 in funding.

MOTION:	APPROVE THE SUPPORT LETTERS
RESULT:	APPROVED [UNANIMOUS]
MOVER:	Michael Termini, Vice Mayor
SECONDER:	Jacques Bertrand, Council Member
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

- D. Mid-Year Budget Report [330-05]
RECOMMENDED ACTION: Receive mid-year report, amend the Fiscal Year 2016/17 Budget based on the budget adjustment, and authorize the staff changes.

Finance Director Mark Welch presented the staff report. It shows an increase in Transient Occupancy Tax based on last summer, but the rest of year is coming in at about the same level. Year-to-date figures reflect an increase revenue and decreased expenditures. He noted that pension costs are prepaid, so year-to-date is actually even lower. Projections have been largely on target. He anticipates a slight increase in property tax. Director Welch noted a parking revenue increase and decrease in citation revenue following the change from two- to three-hour limit in the Village.

The mid-year report includes amendments for reduced junior guards income and a new staff position.

Public Works Director Jesberg explained a recent reorganization plan included adding a staff position to help with Capital Improvement Projects. It was originally suggested to replace the maintenance supervisor, but there will be about 18 months overlap based on the anticipated retirement date. The new project manager position would require a licensed civil engineer. The position would help build some institutional knowledge and support Measure D and F projects. Director Jesberg expects the position could help manage consultants on large projects such as the Wharf and design some smaller projects, and help with federal reporting required with Measure D. Currently the City contracts with Kimley Horn for \$100,000 annually to work on projects such as green bike lanes and the coastal trail. The new staff person would reduce that contract. Measure D collections begin in April and could be used for salary when working on those projects.

Treasurer Wilk reported that the Finance Advisory Committee has met twice to review the mid-year budget and new staff position. It unanimously supports both.

MOTION:	RECEIVE REPORT, AMEND BUDGET AND AUTHORTIZE NEW STAFF POSITION.
RESULT:	APPROVED [UNANIMOUS]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Michael Termini, Vice Mayor
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

E. Fiscal Year 2017/18 Budget Principles and Goals

RECOMMENDED ACTION: Adopt the Fiscal Year 2017/18 Budget Principles and Goals.

City Manager Goldstein presented the staff report with an overview of accomplishments to date and a request for guidance for next fiscal year. In recent years the City has consistently embraced fiscal principles of maintaining a balanced budget, planning for the future, maintaining reserves, using one-time revenue for one-time expenditures, providing transparency, and maintaining the commitment to Measure F capital projects.

Public service principles focus on analyzing effectiveness, meeting public safety expectations, and evaluating any service level increase with long-term financial impacts. The recommended public improvement principle is to continuing providing maximum funding for pavement management.

Staff offered a starting list of possible goals for 2017/18:

- Ensure adequate funds are available for the library construction
- Negotiate MOUs with all bargaining units
- Review community grant program in the context of regional changes to local agency grant programs
- Initiate public process for mall redevelopment project based on mall owners timeline
- Seek viable Police Department grant opportunities
- Complete the Emergency Operations Plan
- Assess the opportunity and need for re-introduction of Neighborhood Watch Program
- Increase participation in Capitola On Watch Program.
- Implement Measure D Projects
- Complete library design and construction bidding process
- Continue street paving projects
- Begin design on Measure F projects including the Wharf and flume
- Adopt Zoning Code Update and submit to Coastal Commission
- Adopt a Green Building Program update
- Update the Medical Marijuana Ordinance to ensure consistency with Proposition 64

Council members added the following items:

- Continue planning for pension cost increases

- Identify recreation goals
- Continue website improvements
- Continue public participation efforts
- Consider funding senior exercise equipment
- Consider forming an Economic Development Committee
- Identify options for Council team building
- Review inclusionary housing ordinance and funding
- Prioritize Wharf project based on original timeline
- Consider forming a Youth Council/Committee. Council Member Petersen said she is researching if she can donate her remaining campaign funds to this effort.
- Support ongoing community policing efforts
- Complete ADA transition plan

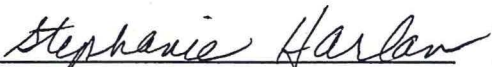
Council Member Bertrand also requested a presentation on the Police Department's crisis intervention training and a public workshop on the OpenGov financial transparency program.


MOTION:	ADOPT PRINCIPLES AND GOALS
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Termini, Vice Mayor
SECONDER:	Ed Bottorff, Council Member
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

11. **ADJOURNMENT**

The meeting was adjourned at 8:28 p.m.

ATTEST:


Stephanie Harlan, Mayor


Linda Fridy, City Clerk

MINUTES WERE UNANIMOUSLY APPROVED ON MARCH 9, 2017